

The Ruling Regarding Using A Credit Card

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Source: Silsilah Kitaab ad-Da'wah (12), al-Fataawa - Volume 3, Page 120-121
(fatwa-online)

Question:

There are banks which provide their customers with a card called "Visa". This (card) then permits them (customers) to withdraw cash from the bank, even if they do not have sufficient funds in their account at the time. After a (specified) period of time, the customer is then required to pay back the money which he withdrew, and if he fails to do so before this period of time expires, the bank will then charge an extra fee in addition to the original amount withdrawn.

This is in addition to the customer paying a (fixed) yearly fee to the bank for the use of this card. I request you to explain the ruling regarding the use of this card, and are there any specific conditions which need to exist if the use of the card was not permissible? (And) may Allaah reward you with good?

Response:

This transaction is impermissible (haraam); this is because it consists of adhering (agreeing) to pay interest if the repayment is not done within the specified time (period), and this adherence (agreement) is not permissible.

Even if a person believed or felt assured that he would make the repayment before the expiry of the time period, it is possible that circumstances could change rendering him unable to make the repayment within the specified time period. And since this is a matter of the future, a person (obviously) does not know what will happen in the future, so this transaction in this case is impermissible.